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## **Federal funding available to rural businesses for renewable energy and energy efficiency**

NASHVILLE, Tenn. May 4, 2010 – Agriculture Secretary Tom Vilsack today announced federal funding available to increase the production and use of renewable energy and energy efficiency improvements. Funding is available through four USDA Rural Development renewable energy programs authorized by the Food, Conservation, and Energy Act of 2008 (Farm Bill).

"This funding will help spur investments in technologies that reduce reliance on fossil fuels, conserve natural resources and help build a sustained renewable energy industry in rural America," Vilsack said. "Support provided by USDA through these programs not only benefits the environment, it creates green jobs and helps America become more energy self-sufficient."

The Rural Energy for America Program (REAP) provides grants and loan guarantees to rural businesses, including agricultural producers, to purchase and install renewable energy systems. Funds may also be used to make energy efficiency improvements.

Eligible projects include installing renewable energy systems such as wind, solar, geothermal, biomass, anaerobic digesters, hydroelectric, and ocean or hydrogen systems. Funding may also be used to purchase energy-efficient equipment, add insulation, and improve heating and cooling systems. Last year 1,485 REAP projects were funded in 50 states, Puerto Rico and the Western Pacific Islands.

Application deadlines in Tennessee are May 14, June 1 and June 30. Submitting applications early increases the opportunity for funding during the federal fiscal year ending Sept. 31, 2010.

Grants may be awarded for up to 25 percent of total eligible project costs. Applications will be considered in three categories, requests under \$20,000, requests over \$20,000 and loan guarantees.

"The Rural Energy for America Program enables owners of rural businesses, farms and ranches to reduce energy consumption, part of President Obama's effort to reduce our reliance on foreign oil and the destabilizing effects of a changing climate," Vilsack said.

"This program also helps reduce the cost of doing business by funding upgrades or replacing outdated, inefficient equipment in their operations," he said. "That not only saves money, it supports job creation."

REAP funding awarded last year is already increasing renewable energy production in rural America. In Tennessee for example, Nashville Natives Nursery, of Fairview was awarded a grant to help fund the purchase and installation of a solar power system on the roof of an equipment barn. The photovoltaic panels are expected to generate 8.28 kilowatts of electricity, enough to offset 100 percent of the company's average annual energy demand.

In Algood, Total Quality Instruments (TQI) was awarded a REAP grant to help fund a system of 220 solar panels geared toward reducing the company's energy cost at a time when automobile part suppliers were experiencing an historic decline in orders. The savings in overhead has helped keep TQI employees on the job and the company is now expanding into installation and service of solar voltaic systems as well.

REAP grants are also helping lower energy costs for Hometown Medical Clinic in Madisonville and Apalachee Nursery in Turtletown by generating renewable power from the sun.

Loan guarantees and grants can be used for renewable energy systems, energy efficiency improvements, feasibility studies and energy audits. These funds are not part of the American Recovery and Reinvestment Act. More information on the REAP program is available at [www.rurdev.usda.gov/rbs/farmbill/index.html](http://www.rurdev.usda.gov/rbs/farmbill/index.html).

In addition to the REAP program, Vilsack announced USDA is also planning to accept applications for three other renewable energy programs: the Biorefinery Assistance Program, Repowering Assistance Program and the Bioenergy Program for Advanced Biofuels. Details on how to apply will be released later this week in the *Federal Register*.

- USDA's Biorefinery Assistance Program provides guaranteed loans to develop and construct commercial-scale biorefineries or to retrofit existing facilities using eligible technology for the development of advanced biofuels.
- The Repowering Assistance Program is designed to encourage the use of renewable biomass as a replacement fuel source for fossil fuels used to provide process heat or power in the operation of eligible biorefineries (those biorefineries in existence on June 18, 2008 -- the date the 2008 Farm Bill was enacted).
- The Bioenergy Program for Advanced Biofuels works to support and ensure expanding production of advanced biofuels by providing payments to eligible advanced biofuels producers. Advanced biofuels are derived from renewable biomass, other than corn kernel starch. These include cellulose, sugar and starch, crop residue, vegetative waste material, animal waste, food and yard waste, vegetable oil, animal fat, and biogas (including landfill gas and sewage waste treatment gas). This program is an important part of achieving the Obama administration's goal to increase biofuels production and use.

USDA Rural Development invests in business development, community infrastructure, homeownership, affordable rental housing and technology to improve the quality of life in rural communities. Last year Rural Development assisted more than 678,000 Tennessee families and businesses with more than \$435 million in financial assistance through affordable loans, loan guarantees and grants.

For more information or to apply for a REAP grant contact the USDA Rural Development Area Office serving your county or visit us online at [www.rurdev.usda.gov/tn](http://www.rurdev.usda.gov/tn).

#### **USDA Rural Development Area Offices in Tennessee**

Greeneville	423-638-4771 ext 4	800-342-3149 ext 1490
Knoxville	865-523-3338 ext 4	800-342-3149 ext 1491
Chattanooga	423-756-2239 ext 2	800-342-3149 ext 1492

Cookeville	931-528-6539 ext 2	800-342-3149 ext 1493
Nashville	615-783-1359	800-342-3149 ext 1359
Lawrenceburg	931-762-6913 ext 4	800-342-3149 ext 1494
Jackson	731-668-2091 ext 2	800-342-3149 ext 1495
Union City	731-885-6480 ext 4	800-342-3149 ext 1497

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